financiers, middlemen and couriers in our country to help the foreigners smuggling drugs into Sri Lanka; and

(c) whether it is a fact that there is illicit cultivation of cannabis ganja in Western Ghat in Tamil Nadu State inspite of raid and destruction of the plants by the Customs department periodically?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. Financial middlemen and couriers are generally involved in drug trafficking cases. Appropriate action is taken against them whenever there is evidence of their activities.

(c) The Western Ghats in Tamil Nadu are prone to illicit ganja cultivation. However, action has been taken to destroy such crop in this area, whenever noticed.

**Report submitted by FICCI**

2225. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn by FICCI to the inflationary pressures on the economy contributed by the portfolio investments of the foreign institutional investors;

(b) if so, whether Government have examined the report submitted by FICCI showing that higher Foreign Institutional Investors' inflows led to higher rate of inflation; and

(c) what are the steps taken to prevent such inflationary trends?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) One of the major components for the growth in reserve money during the past year was the increase in the foreign exchange assests of RBI. In recognition of the monetary implications of foreign capital inflows, the guidelines for Euro-Issues which constitute one of the avenues for Foreign Institutional Investment, were tightened in October, 1994 stipulating that Indian companies should mandatorily retain abroad the proceeds of Euro-Issues made by them, to be repatriated into the country as and when expenditures for approved end-uses are incurred, to avoid monetary expansion as a consequence of Euro-Issue inflows in advance of the need for funds. The incidence of net Foreign Institutional Investment flows has been substantially lower since November, 1994 as compared to previous months.

**Pay Revision in Nationalised Banks**

2226. SHRIMATI ANANDIBEN JETHABHAI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have discussed regarding wage revision with the Trade Unions of Nationalised Banks; if so, the details in this regard; and

(b) what are the terms and conditions and Charter of Demands of each Trade Union for Wage revision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Discussions on matters relating to wage revision take place between Indian Banks' Association (on behalf of the Banks Managements) and representatives of workmen unions/officers associations. In pursuance of these discussions, a Settlement viz. VIth Bipartite Settlement has been signed on 14.2.1995 between IBA and the representatives of All India Bank Employees' Association (AIBEA), National Confederation of Bank Employees (NCBE), Bank Employees Federation of India (BEFI) and Indian National Bank Employees Federation (INBEF). Discussions regarding wage revision for officers are in progress. The wage revision for workmen employees will have incremental impact of 10.5% on the existing wage bill. The cost in terms of quantum would be approximately Rs 388 crores per annum. The major demands made by these Trade Unions are at Statement (*See* below). The salient features of the sixth Bipartite Settlement are given in Statement-II.

**Statement-I**

Major demands of the four workmen unions were as under:

1. *Construction of Scales*

   Merger at 1148 points and construction of pay scales with loading of about 10-15% thereon.

2. *Dearness Allowance*

100% neutralisation for all workmen irrespective of basic pay.

3. *Provident Fund*

PF contribution on entire DA in addition to basic pay.

4. *City Compensatory Allowance/ House Rent Allowance*

Substantial increase in these allowances as also some change in classification of areas.

5. *Special Allowance*

Deconsolidation of special allowances, viz. that DA should be paid on special allowances also.

6. *Halting Allowance*

Substantial increase in halting allowance.

7. *Conveyance Allowance*

Introduction of Conveyance Allowance to Clerical and Subordinate Staff.

8. *Medical Aid/Hospitalisation Charges*

Substantial improvements in Medical Aid/ Hospitalisation Charges.

**Statement-II**

*Salient Features of the Sixth Bipartite Settlement*

*Scales of Pay*

*Clerks*

$1750\text{-}\frac{100}{2}\text{-}1950\text{-}\frac{145}{4}\text{-}2530\text{-}\frac{195}{4}\text{-}3310\text{-}\frac{215}{3}$

$3955\text{-}\frac{230}{4}\text{-}4875\text{-}\frac{395}{1}\text{-}5270\text{-}\frac{230}{1}\text{-}5500$

*Subordinate Staff*

$1600\text{-}\frac{40}{1}\text{-}1640\text{-}\frac{50}{1}\text{-}1690\text{-}\frac{60}{4}\text{-}1930\text{-}\frac{70}{4}\text{-}2210\text{-}$

$\frac{80}{3}\text{-}\ 2450\text{-}\frac{90}{3}\text{-}2720\text{-}\frac{100}{3}\text{-}3020$

*Dearness Allowance*

Dearness Allowance payable for 4 points rise or fall over 1148 points:

Upto Rs 4800 = 0.35% plus

Above Rs 4800 = 0.29% plus

Upto Rs 7700

Above Rs 7700 = 0.17%

*Provident Fund*

Provident Fund on proposed basic pay, @10%

*City Compensatory Allowance*

| Area | | Rate | Amount |
|---|---|---|---|
| Higher | Clerks | 4.5% | Min. 100 |
| | | | Max. 200 |
| Centres | Sub-Staff | | Max. 125 |
| Lower | Clerks | 3.5% | Min. 75 |
| Centres | | | Max. 150 |
| | Sub-Staff | | Max. 75 |

*House Rent Allowance*
(Clerks and Substaff)

| *Area* | *Rate* |
|---|---|
| Special/Semi Special places | 12% |
| 2 lakhs & above | 10.5% |
| 10,000 to 2 lakhs | 9.5% |
| Below 10,000 | 8.5% |

*Medical Aid (Annual)*

Existing ceiling raised by Rs 370/- p.a. per employee. The proposed ceiling of annual medical will be as under:—

(i) Service upto 5 years Rs. 870/- p.a.

(ii) Service above 5 years Rs. 1070/- p.a.

*Conveyance Allowance*

Rs 100/- pm to clerical and subordinate staff

*Special Allowance*

Existing Special Allowance enhanced by 20% DA payable on special allowances.

*SOME IMPORTANT MANAGEMENT ISSUES*

1. Functions of special allowance carrying posts have been substantially enhanced-Monetary limits for handling independently transactions involving cash/cheques, instruments,. etc. more than doubled in most cases.

2. Statement of the Unions exhorting members for all out efforts for better customer service.

3. Resorting to restrictive practices as also misbehaviour towards customers to be deemed as misconduct attracting disciplinary action.

4. Contesting elections without explicit written permission, to be deemed as gross misconduct.

5. Misbehaviour towards customers shall that amount to gross misconduct attracting disciplinary action.

**Recovery of the Inland Air Travel Tax from the Defaulted Private Airlines**

2227. SHRI SOM PAL :

SHRI S. MUTHU MANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several private airlines are not paying the Inland Air Travel Tax (IATT) so collected from the passengers to Government;

(b) if so, the airlinewise details of amount outstanding to be paid by them; and

(c) what action has been taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Details as per statement enclosed. (*see* below)

(c) In all the cases of default, necessary action under the Finance Act, 1989 read with the Inland Air Travel Tax Rules, 1989, has been initiated.

**Statement**

| Name of the Airline | Period | Outstanding amount (Rs. lakhs) |
|---|---|---|
| i) M/s. Jagson Airlines | 1992-93 | 5.81 |
| ii) M/s. Continental Aviation Pvt. Ltd. | 1991-92 & 1992-93 | 74.86 |
| iii) M/s. City Link Airways | 1992-93 | 60.15 |
| iv) M/s. East West Airlines | 1992-93 | 77.00 |
| v) M/s. Raj Aviation | 1994 (Jan.-Apr.) | 46.64 |

Apart from the aforesaid amounts, show cause notices have also been issued to the following airlines for determination of the amounts of Inland Air Travel Tax alleged to have not been paid:

i) M/s. East West Airlines.
ii) M/s. Air Asiatic Ltd.
iii) M/s. Goaways Aviation Pvt. Ltd.

**Excise Duty on Paraffin Wax**

2228. SHRI S. MUTHU MANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the excise duty is charged on Paraffin Wax @ 10% since 1st March, 1994, manufactured out of Excise Duty paid Slack Wax;

(b) whether it is also a fact that the Paraffin Wax and Slack Wax are being charged Excise Duty under the same chapter, heading and sub-heading i.e. 2712.20;

(c) whether Government are considering to exempt excise duty on Paraffin Wax produced from the Slack Wax, for which Excise Duty has already been charged;

(d) whether it is also a fact that the paraffin wax producers in large scale sector are paying Excise Duty @ 10% on Paraffin Wax out of the slack wax produced by them in the same Units;

(e) whether it is a fact that the SSI Units are also unable to avail of the MODVAT benefit considering the fact that their turn-over largely remains below Rs. 30.00 lacs in every Financial Year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) Petroleum waxes, all sorts, are classifiable under sub-heading No. 2712.20 of Central Excise Tariff and are leviable to excise duty of 10% ad valorem. Paraffin wax and slack wax fall under the same sub-heading No. 2712.20. Paraffin wax produced out of duty paid slack wax is also subjected to excise duty of 10% ad valorem. However, duty paid on the slack wax is available as input credit under Modvat scheme. At present, there is no proposal under the consideration of the Government to exempt paraffin wax produced from duty paid slack wax.

(d) The producers of paraffin wax who also produce slack wax for captive use pay duty @ 10% at the paraffin wax stage.

(e) SSI units have option to pay duty and avail of MODVAT benefits even if their turnover remain within Rs. 30 lacs in a financial year.